

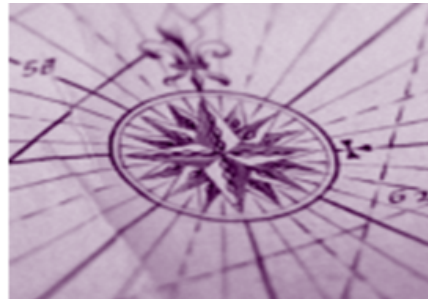
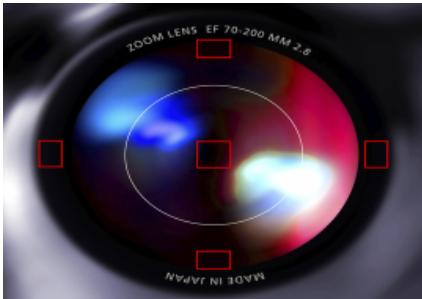


Tamworth Borough Council

External Quality Assessment

Internal Audit Services

Executive Summary for Audit Committee – 22 March 2023



Basis for overall opinion

Generally Conforms means the evaluator has concluded that the relevant structures, policies, and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of the individual *Standard* or element of the Code of Ethics in all material respects. For the sections and major categories, this means that there is general conformance to a majority of the individual *Standards* or elements of the Code of Ethics, and at least partial conformance to the others, within the section/category. There may be significant opportunities for improvement, but these must not represent situations where the activity has not implemented the *Standards* or the Code of Ethics, has not applied them effectively, or has not achieved their stated objectives. As indicated above, general conformance does not require complete/perfect conformance, the ideal situation, successful practice, etc.

Partially Conforms means the evaluator has concluded that the activity is making good-faith efforts to comply with the requirements of the individual *Standard* or element of the Code of Ethics, section, or major category, but falls short of achieving some major objectives. These will usually represent significant opportunities for improvement in effectively applying the *Standards* or Code of Ethics and/or achieving their objectives. Some deficiencies may be beyond the control of the activity and may result in recommendations to senior management or the board of the organisation.

Does Not Conform means the evaluator has concluded that the activity is not aware of, is not making good-faith efforts to comply with, or is failing to achieve many/all of the objectives of the individual *Standard* or element of the Code of Ethics, section, or major category. These deficiencies will usually have a significant negative impact on the activity's effectiveness and its potential to add value to the organisation. These may also represent significant opportunities for improvement, including actions by senior management or the board. Often, the most difficult evaluation is the distinction between general and partial. It is a judgment call keeping in mind the definition of general conformance above. Carefully read the *Standard* to determine if basic conformance exists. The existence of opportunities for improvement, better alternatives, or other successful practices do not reduce a generally conforms rating.

Source: Institute of Internal Auditors (2016)

	Score
Tamworth /Lichfield	81%
LG Average	82%
LG range	73 -90%

External Quality Assessment

Tamworth Borough Council

Overall Opinion – **GENERALLY CONFORMS**



BUSINESS
RISK
SOLUTIONS

Good Practice identified during the review

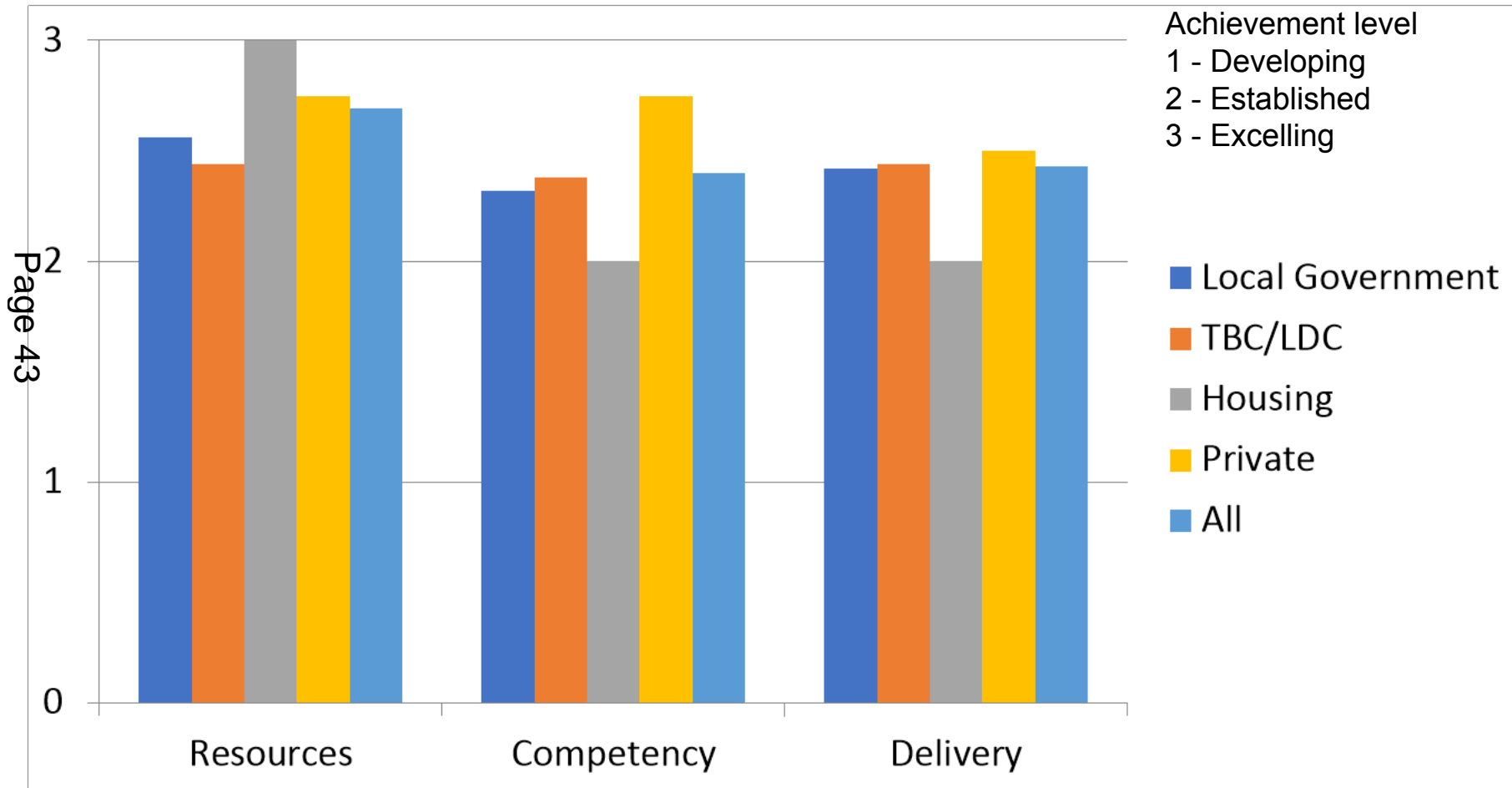
- An Internal Audit Charter setting out the role and responsibilities of Internal Audit within the Councils guides delivery and establishes the basis for delivery of Internal Audit.
- Shortfalls in resources are supplemented with external support, The service has developed a documented internal audit methodology and supporting templates that delivers a consistent risk-based service.
- Self-assessment and the Quality Assurance Improvement Programme identifies areas in which future development will be beneficial,
- Routine reporting informs clients and the Audit and Governance Committee regarding progress regarding completion of the internal audit plan, findings and the follow up of recommendations, and
- Appropriate statements regarding confidentiality and limitation of liability are included in internal audit reporting.

Areas where further attention should be beneficial to the team and its clients



Key matters arising from the review:

- Increasing integration by internal audit of risk-based techniques with the risk appetite of TBC particularly in terms of planning at a strategic and engagement level would be mutually beneficial,
- Ensuring clear logic regarding the use of inherent and residual risk in the form of 'Control Risk' through working papers for each assignment in order to focus on agreed management objectives, significant risks and relevant key controls would better support the content of the assurance provided.
- Consideration should be given to expressing internal audit recommendations and opinions in line with the risk appetite of the Council as stated within the Risk Management Policy as this would enhance transparency and communication with clients.
- Where high risk recommendations are identified ensure these support a negative audit opinion which is appropriately reflected in strategic and operational risk registers,
- Review the narrative used within the Annual Opinion in the Head of Internal Audit Annual Report to reflect the strategic planning process and therefore the cumulative knowledge of both significant risks and other sources of assurance that are available and upon which reliance has been placed.



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